



Department of Justice

United States Attorney Robert E. O'Neill
Middle District of Florida

Tampa

Orlando

Jacksonville

Fort Myers

FOR IMMEDIATE RELEASE

MONDAY, DECEMBER 17, 2007

<http://www.usdoj.gov/usao/flm/pr>

CONTACT: STEVE COLE

PHONE: (813) 274-6136

FAX: (813) 274-6300

KISSIMMEE BROTHERS AND BUSINESS ASSOCIATE SENTENCED IN VIATICAL FRAUD AND TAX FRAUD SCHEMES

Orlando, Florida - U.S. District Judge John A. Antoon, II, today sentenced C. Keith LaMonda, age 53, Jesse W. LaMonda, age 61, and John L. Maynard, age 61, for their roles in a multi-million dollar fraud scheme associated with their operation of Accelerated Benefits Corporation ("ABC"). Keith LaMonda was sentenced to 20 years' imprisonment, followed by 3 years of supervised release. His brother Jesse W. LaMonda was sentenced to 13 years and four months imprisonment followed by 3 years of supervised release, and John L. Maynard was sentenced to 10 years imprisonment followed by three years of supervised release. C. Keith LaMonda and Jesse W. LaMonda were also ordered to pay approximately \$88 million in restitution to the ABC victims who invested during their involvement in the scheme, and John L. Maynard was ordered to pay approximately \$52 million in restitution to the ABC victims. Both C. Keith LaMonda and John L. Maynard were ordered to pay approximately \$1.3 million dollars to the Internal Revenue Service for their roles in the tax fraud scheme.

Previously, a jury found C. Keith LaMonda and Jesse W. LaMonda guilty of two counts of conspiracy to commit mail fraud and wire fraud and eleven counts of mail fraud in connection with their operation of ABC, a viatical settlement company formally located in Orlando. The jury also found C. Keith LaMonda guilty of conspiracy to defraud the United States Department of the Treasury, Internal Revenue Service and making and

subscribing to a false tax return. John L. Maynard, a business associate of the LaMonda brothers and a disbarred attorney, was found guilty of conspiracy to commit mail fraud and wire fraud and conspiracy to defraud the United States Department of the Treasury, Internal Revenue Service.

The mail and wire fraud charges filed against the LaMonda brothers and Maynard stemmed from their roles in an investment scheme that ultimately collected millions of dollars from thousands of victims. According to court documents, the LaMonda brothers and Maynard fraudulently induced investors to purchase interests in viatical and life settlements through a series of material misrepresentations concerning the safety and security of the investments. A viatical or life settlement is a transaction in which an investor purchases an interest in a terminally ill or elderly person's life insurance policy death benefit in return for a lump-sum cash payment. An investor in a viatical or life settlement realizes a profit, if, when the insured dies and the policy matures, the policy benefit is greater than the price paid for the policy. The longer an insured lives, the more premium payments must be made to prevent the policy from lapsing and becoming worthless.

The defendants disseminated false and misleading marketing materials, promising that the insurance policies offered and sold by ABC were safe and secure investments because doctors independently determined how long insured individuals would live. Instead, individuals at ABC dictated life expectancy determinations to one of ABC's doctors.

The defendants also misled investors by promising to pay premiums on the life insurance policies until the policies matured. The defendants falsely promised investors that the money reserved to pay premiums was held in a trust account maintained by an independent trustee. The evidence at trial showed that the premium money was not held

in a trust account, and that C. Keith LaMonda and Maynard diverted over \$1.2 million from the premium reserve account to invest in a failed oil and gas venture. This diversion depleted 70% of the account and ABC was unable to pay premiums on all of the life insurance policies, causing the lapse of a \$9.5 million dollar life insurance policy. As a result, investors lost over \$6 million dollars on that policy alone. The total actual loss to the investors was about \$88 million.

C. Keith LaMonda and Maynard were also convicted of conspiring to defraud the United States by impeding the Internal Revenue Service's ability to ascertain and collect income taxes due on monies diverted from investor trust accounts and ABC's operating account. Court documents show that LaMonda and Maynard diverted over \$3 million from the trust accounts and concealed the income from the Internal Revenue Service by diverting the money to accounts held in nominee names and mischaracterizing the diversions as loans or expenditures on ABC's books and records and on tax returns. They also diverted \$261,500 from ABC's operating account and concealed the income by diverting it to an account held in a nominee name, creating an offshore entity and mischaracterizing the income as a loan from the offshore entity. C. Keith LaMonda was also convicted of filing a false partnership tax return on which he reported the \$3 million of diverted funds as a loan from a trust account instead of income.

This case was investigated by the Internal Revenue Service, Criminal Investigations, and the Federal Bureau of Investigation. This case was prosecuted by Assistant United States Attorney Karen L. Gable of the United States Attorney's Office for the Middle District of Florida, Orlando Division and David J. Ignall of the United States Department of Justice, Tax Division.